that the public service commission may in its discretion insure the risks of the workmen's compensation fund in them.[18]

Seven States have state-managed insurance in competition with private companies.[19] Perhaps the fairest in this respect is California, which empowers the Insurance Commissioner to issue a uniform classification of risks and premium rates, which must be adhered to by all compensation insurance carriers, including the State Fund; the rival underwriters have therefore been given an even start, and the State Fund appears to have prospered.[20] Mutual insurance associations have been encouraged, notably in California, Colorado, Pennsylvania, and New York, where the compensation acts contain special provisions for their organization.

Whether the business of insurance is destined to undergo a process of socialization, and come forth a tool of the state rather than a subject of private enterprise, is a question at present impossible of solution. However, with the impressive growth of social insurance in mind, it seems not improbable, at least in a field so impregnated with the public interest as that of workmen's compensation, that the next few years will see monopolistic state-managed insurance, now a mere experiment in a few Western states, established as the prevailing system.

RIGHT OF A CORPORATION TO PRACTICE LAW.—With the increasing popularity of the corporate form, trust companies and other corporations, organized for the practice of law, made their appearance. Their entry into the legal field, however, has been looked upon with such constant disfavor by the American Bar Association[1] that it is not surprising to find that six states now have statutes limiting or denying the right of incorporation for this purpose.[2]

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[18]Hogg's West. Va. Code 1914, §§ 675-680, 710.

[19]Cal. Laws 1913, c. 176, as amended by Laws 1915, c. 541, 607, 662; Colo. Laws 1915, c. 179, 180, 181; Md. Laws 1914, c. 800, as amended by laws 1916, c. 86, 368, 379, 597; Mich. Pub. Acts 1912, No. 10, amended by Pub. Acts 1913, Nos. 50, 79, 156, 259, and Pub. Acts 1915, Nos. 104, 153, 170-1, and supplemented by Pub. Acts 1915, Nos. 136, 177, 182; Mont. Laws 1915, c. 96; N. Y. Consol. Laws, c. 67, as amended by Laws 1914, c. 316, Laws 1915, c. 167-168, 615, 674, Laws 1916, c. 622; Pa. Laws 1915, No. 338, supplemented by Nos. 339-343.

[20]See article in The Survey (foot-note 7, *supra*).

[1]80 Cent. L. J. 406-408.

[2]Page & Adams Ann. Ohio Gen. Code (1910), § 8623 (forbids incorporation for carrying on professional business. See State *v.* Laylin (1905) 73 Oh. St. 90, 76 N. E. 567); Laws Md. 1916, c. 695, p. 1618; Gen. Acts. Mass. 1916, c. 292, p. 235; Laws Mo. 1915, p. 100; Birdseye's Consol. Laws N. Y. 1910, Bus. Corp. Law, § 2a, p. 509, and N. Y. Laws 1916, Penal Law § 280, p. 448 (for the interpretation of these statutes see *In re* Associated Lawyers' Co. (1909) 134 App. Div. 350, 119 N. Y. Supp. 77, and cases cited under footnotes 11 and 12, *infra*); Remington & Ballinger's Ann. Codes and Stat. Wash., Supp. 1913, § 3349 subd. 13, p. 272 (applies particularly to trust companies and provides that such companies or other corporations whose officers or agents shall solicit legal business shall be disqualified from serving in any fiduciary capacity). A bill to prohibit corporations from practicing law was introduced in Illinois at the 49th Assembly but failed to pass. See Legislative Digest of 49th General Assembly, State of Illinois, H. B. 258, p. 187.

One of the most recent of such enactments is Chapter 695 of the Laws of 1916 of Maryland. This Act forbids any corporation or voluntary association from holding itself out as engaging in the business of law, or from creating an impression that, either alone or together with some lawyer, it conducts a law office or furnishes legal advice. However, as in other statutes of a similar nature, exceptions to the general rule are laid down. It is specified that the Act is not to apply to the business of searching and examining titles, to contracts by insurance companies to defend the insured in accordance with the stipulations contained in the policies issued, or to adjustments through collection agencies.

Aside from such specific legislation, there is a mass of uninterpreted statute law bearing more or less directly on the question. Several jurisdictions have enacted laws permitting incorporation for a given number of purposes,[3] provisions which, in the absence of an additional general clause allowing incorporation for any other lawful business,[4] seem exclusive. In most of these statutes it would appear to be impossible to bring the practice of law within any of the enumerated purposes. On the other hand, one jurisdiction expressly allows incorporation for the practice of law[5] and three others impliedly admit the right by their provisions in regard to licenses.[6] Again, several of the statutes which list the powers of trust companies provide that such organizations may act as agents and attorneys in the management of the estates under their care.[7] In that connection, though, "attorneys" is probably used in the sense of attorneys in fact.

In Vermont there is a statute permitting incorporation "for carrying on any object or business not repugnant to public policy or the laws of this state",[8] and in Pennsylvania we have at least one decided case

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[3]See *e. g.* Laws Kan. 1915, c. 157, p. 187 (c. 158 of these same laws provides that corporations may be formed for the encouragement of any learned professions by persons who are members of any such professions, and that such organizations, if not engaged in business for profit, are exempt from any corporation tax); Vernon's Sayles' Tex. Civ. Stat. 1914, Art. 1121, p. 590; Rev. Codes Mont., Supp. 1915, § 3808, p. 537.

[4]Wis. Stat. 1915, c. 86, § 1771, p. 1366, lists the purposes for which corporations may be formed and then provides for incorporation "for any lawful business or purpose whatever, whether similar to the purposes herein mentioned or not . . .". Before the words "whether similar" etc. were added to this clause, it extended only to things of a kindred nature to those specifically authorized by the statute. *Noscitur a sociis.* State *v.* International Investment Co. (1894) 88 Wis. 512, 60 N. W. 796.

[5]Rev. Stat. Neb. 1913, § 667, p. 244 (the persons to be incorporated must be members of the legal profession). See also, State Electro Medical Institute *v.* Platner (1905) 74 Neb. 23, 103 N. W. 1079; State Electro Medical Institute *v.* State (1905) 74 Neb. 40, 103 N. W. 1078.

[6]Gen. Acts Ala. 1915, Act 465, subd. 66, p. 510 (provides that if the business of law "is conducted as a firm or as a corporation in which more than one lawyer is engaged, each lawyer so engaged shall pay a license. . . . ."); Sess. Laws Alaska, 1915, c. 76, p. 185 (provides that any person, firm or corporation engaged in certain businesses, among which law is listed, shall obtain a license); Rev. Code Del. 1915, § 217, p. 129 (similar to Alaska provision, *supra*).

[7]See *e. g.* Rev. Laws Hawaii 1915, c. 184, § 3366, p. 1265; Carroll's Ky. Stat. 1915, c. 32, § 606, p. 442; Howell's Ann. Stat. Mich. 1914, § 6484, p. 2614.

[8]Laws Vt. 1908, No. 103, p. 91.

to the effect that incorporation will not be allowed where the association may be perverted to unworthy and improper purposes, injurious to public morals or public welfare.[9] It seems highly probable, therefore, that, in these states, incorporation for the practice of law would be denied.

Practically all of the remaining jurisdictions provide in some form or other that persons may incorporate for "any lawful purpose", "any lawful business" or "any purpose for which individuals may lawfully associate themselves".[10] Only in New York, however, has the meaning of any of these phrases received thorough judicial interpretation. There, Judge Vann, in a brilliant opinion,[11] states that lawful business "means a business lawful to all who wish to engage in it." Law is not such a business. The right to practice is in the nature of a franchise awarded on a basis of merit. Since the practice of law is not a lawful business for any except those admitted to the bar, and since a corporation cannot perform the conditions precedent to such admission, it follows that the practice of law is not a lawful business for a corporation. Moreover, since a corporation cannot practice law directly, it cannot do so indirectly by employing attorneys.[12]

This reasoning seems sound, as does the course of modern legislation as exemplified by the Maryland statute mentioned above. The relation of attorney and client, like that of doctor and patient, is essentially a personal one, and to allow corporations to practice law must, from the very nature of a corporation, impair the personal element of this relationship. Such a result seems contrary to the best interests of the public.[13] It is submitted, therefore, that other jurisdictions would do well to copy the recent Maryland legislation on this point.

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[9]Chinese Club (1891) 1 Pa. Dist. 84.

[10]See *inter alia* Rev. Codes Idaho 1908, § 2712, p. 1083; Hurd's Rev. Stat. Ill. 1915-1916, c. 32, § 1, p. 636; Ann. Code Iowa 1897, § 1607, p. 587; Ky. Acts 1916, c. 91, p. 639; Howell's Ann. Stat. Mich. 1914, § 9532, p. 3814; Miss. Code 1906, c. 24, § 897, p. 374; Rev. Laws Nev. 1912, § 1105, p. 320; Comp. Stat. N. J. 1709-1910, p. 1601; Ann. Stat. N. M. 1915, § 889, p. 345; Pell's Revisal N. C. 1908, § 1137, p. 600; Comp. Laws Utah 1907, § 314, p. 230.

[11]*In re* Co-operative Law Co. (1910) 198 N. Y. 479, 92 N. E. 15.

[12]United States Title Guaranty Co. *v.* Brown (1914) 86 Misc. 287, 149 N. Y. Supp. 186; *In re* Benzel (1910) 68 Misc. 70, 124 N. Y. Supp. 726.

[13]See footnote 1, *supra*, and Robbins, On American Advocacy, §§ 9, 10.